

Introduced by Senator CalderonFebruary 24, 2012

An act to amend Section 1104 of the Insurance Code, relating to insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1451, as introduced, Calderon. Insurance: loans.

Existing law prohibits an admitted insurer from making any loan, other than a policy loan, to any officer, director, trustee, or other person having authority in the management of its funds, and the officer, director, trustee, or other person is prohibited from accepting the loan. The prohibition does not include a loan to, or for the benefit of, an employee for the purpose of paying the premiums on a life insurance policy on the life of the employee.

This bill would include as exceptions to the loan prohibition, startup loans to an agent, or policy loans by parties subject to the laws regulating fraternal benefit societies.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1104 of the Insurance Code is amended
- 2 to read:
- 3 1104. An admitted insurer shall not make any loan, other than
- 4 a policy loan, to any officer, director, trustee, or other person
- 5 having authority in the management of its funds, nor shall ~~such~~
- 6 ~~that~~ officer, director, trustee, or other person accept ~~any such~~ *the*
- 7 loan.

1 This section does not prohibit a loan to, or for the benefit of, an
2 employee for the purpose of paying the premiums on a life
3 insurance policy on the life of ~~such~~ *that* employee, *agent startup*
4 *loans, or policy loans by parties subject to Chapter 10*
5 *(commencing with Section 10970) of Part 2 of Division 2 regarding*
6 *fraternal benefit societies.*

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